2Life Development Inc.
(A Non-Profit Organization)

Financial Statements
and Independent Auditor's Report

December 31, 2022

CohnReznick
ADVISORY • ASSURANCE • TAX

2Life Development Inc.
(A Non-Profit Organization)

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Independent Auditor's Report

To the Board of Directors
2Life Development Inc.
(A Non-Profit Organization)

Opinion

We have audited the financial statements of 2Life Development Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 2Life Development Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 2Life Development Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 2Life Development Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 2Life Development Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 2Life Development Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited 2Life Development Inc.'s December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

CohnReznick LLP

Bethesda, Maryland
October 10, 2023

2Life Development Inc.
(A Non-Profit Organization)

Statement of Financial Position
December 31, 2022
(With Comparative Totals for 2021)

Assets

	2022	2021
Current assets		
Cash and cash equivalents	$ 303,624	$ 4,035,612
Due from affiliates (Note 2 and 8)	2,137,852	498,541
Investments (Note 3)	9,623,205	11,614,060
Total current assets	12,064,681	16,148,213
Long-term assets		
Sponsor notes receivable and accrued interest	50,158,287	48,276,035
Rental property (Note 13)	13,149	16,997
Development cost	10,514,186	4,116,390
Developer fee receivable (Note 6)	6,266,269	2,623,309
Right-of-use asset	85,297	-
Total long-term assets	67,037,188	55,032,731
Total assets	$ 79,101,869	$ 71,180,944

2Life Development Inc.
(A Non-Profit Organization)

Statement of Financial Position
December 31, 2022
(With Comparative Totals for 2021)

Liabilities and Net Assets

	2022	2021
Current liabilities		
Accounts payable and accrued expenses	$ 425,962	$ 393,893
Note payable - current (Note 7)	-	3,500,000
Due to affiliates (Note 8)	1,896,880	275,602
Lease liability, current portion	7,678	-
Other liabilities	-	544,000
Total current liabilities	2,330,520	4,713,495
Note payable (Note 7)	14,448,053	7,579,000
Lease liability, net of current portion	77,619	-
Total long-term liabilities	14,525,672	7,579,000
Total liabilities	16,856,192	12,292,495
Net assets		
Net assets without donor restrictions	62,245,677	58,888,449
Total net assets	62,245,677	58,888,449
Total liabilities and net assets	$ 79,101,869	$ 71,180,944

See Notes to Financial Statements.

2Life Development Inc.
(A Non-Profit Organization)

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022			
	Without donor restrictions	With donor restrictions	Total	2021
Revenues and other support				
Interest income (Note 5)	$ 1,342,286	$ -	$ 1,342,286	$ 807,149
Dividends and interest (Note 3)	54,582	-	54,582	59,358
Contributions and pledges (Notes 2 and 8)	393,600	-	393,600	9,108,020
Grant income (Note 14)	-	-	-	4,045,371
Other income	21,250	-	21,250	2,785,507
Developer fee income (Note 6)	4,186,960	-	4,186,960	973,000
Realized gains on investments (Note 3)	197,327	-	197,327	664,089
Total revenues and other support	6,196,005	-	6,196,005	18,442,494
Expenses				
Program services	1,546,354	-	1,546,354	9,647,968
Supporting services	92,234	-	92,234	69,665
Total expenses	1,638,588	-	1,638,588	9,717,633
Excess of expenses over revenues	4,557,417	-	4,557,417	8,724,861
Non-operating revenue and expenses				
Unrealized gains (losses) on investments (Note 3)	(1,200,189)	-	(1,200,189)	582,689
Change in net assets	3,357,228	-	3,357,228	9,307,550
Net assets, beginning of year	58,888,449	-	58,888,449	49,580,899
Net assets, end of year	$ 62,245,677	$ -	$ 62,245,677	$ 58,888,449

See Notes to Financial Statements.

2Life Development Inc.
(A Non-Profit Organization)

Statement of Cash Flows
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	$ 3,357,228	$ 9,307,550
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Net realized and unrealized gains on investments	1,002,862	(1,246,778)
Depreciation	3,848	2,245
Transfer of development costs	-	8,420,543
Transfer of sponsor note receivable	-	(2,600,000)
Interest income on investments reinvested	(46,016)	(65,589)
Investment fee	59,057	74,961
Decrease (increase) in assets		
Due from affiliate	498,541	(314,892)
Developer fee receivable	(3,642,960)	331,080
Accrued interest on sponsor notes receivable	(557,658)	(585,629)
Sponsor notes receivable	(1,324,594)	(10,629,978)
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	(210,320)	173,941
Miscellaneous current liabilities	(544,000)	544,000
Net cash (used in) provided by operating activities	(1,404,012)	3,411,454
Cash flows from investing activities		
Purchase of fixed asset	-	(19,242)
Sale of investments	1,077,865	1,111,583
Purchases of investments	(102,913)	(1,163,376)
Development costs	(8,293,259)	92,207
Net cash (used in) provided by investing activities	(7,318,307)	21,172
Cash flows from financing activities		
Payments on note payable - affiliate	(30,947)	(750,000)
Due to affiliates	1,621,278	185,113
Proceeds from note payable - affiliate	3,400,000	500,000
Payments on line of credit	-	(406,743)
Net cash provided by (used in) financing activities	4,990,331	(471,630)
Net (decrease) increase in cash and cash equivalents	(3,731,988)	2,960,996
Cash and cash equivalents, beginning	4,035,612	1,074,616
Cash and cash equivalents, end	$ 303,624	$ 4,035,612

2Life Development Inc.
(A Non-Profit Organization)

Statement of Cash Flows
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
Significant noncash investing and financing items		
Development costs at December 31, 2022 and 2021 including accounts payable and accrued expenses	$ 318,409	$ 76,020
Transfer of development costs	-	8,420,543
Booking of right-of-use asset related to adoption of Topic 842	85,297	-
Booking of lease liability related to adoption of Topic 842	(85,297)	-
Total	$ 318,409	$ 8,496,563

See Notes to Financial Statements.

Note 1 - Organization and nature of operations

2Life Development Inc. (the "Organization") is operated for the benefit of affiliated 501(c)(3) organizations and is the sponsor of construction projects and provides technical support for tax credit syndication on behalf of affiliates. The Organization entered into a development agreement with 2Life Shillman LP to construct an affordable housing project for the elderly and disabled in Framingham, Massachusetts. The Project was completed in 2011. Prior to 1985, the Organization owned and operated a government-sponsored multifamily apartment complex for the elderly and sold these net assets to an affiliate in 1985.

In January 2006, the Organization was awarded a Capital Advance of $7,579,000 from the U.S. Department of Housing and Urban Development ("HUD") for the Morton and Etta Shillman House on the Harry and Jeanette Weinberg Campus ("Shillman-Weinberg"). As a part of this award, HUD also provided a 20-year rental assistance commitment for 50 rental units. This rental assistance will be provided to persons meeting HUD's definition of very low-income. The Capital Advance and Rental Assistance Contract were assigned to 2Life Shillman LP.

On November 8, 2019, an article of amendment was filed to change the legal name of the Organization from Jewish Community Housing for the Elderly III, Inc. to 2Life Development Inc.

On December 30, 2020, an article of merger was filed with the Secretary of the State of the Commonwealth of Massachusetts to merge Jewish Community Housing for the Elderly IV, Inc. ("JCHE IV") with 2Life Development Inc.

On December 31, 2020, an article of merger was filed with the Secretary of the State of the Commonwealth of Massachusetts to merge Jewish Community Housing for the Elderly V, Inc. ("JCHE V") with 2Life Development Inc.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Organization presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Organization conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions whose restrictions are met in the same period are recorded as support without donor restrictions in the accompanying statement of activities and changes in net assets.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior-year summarized information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Risks and uncertainties

The Organization maintains a pooled investment account consisting of a combination of U.S. Treasury securities and other government obligations, absolute return/hedged equity securities and equity securities that are invested in domestic, non-U.S., emerging markets, and private equity/venture capital securities. The Organization is assigned a percentage of the pool based on the market value of the underlying assets in the pool at the time of entry. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and such changes could materially affect the Organization's investment account balance.

Cash and cash equivalents

The Organization considers money market funds and highly-liquid overnight investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are reported at fair value, realized and unrealized gains and losses are included in the statement of activities and changes in net assets and disclosures about investments held and the return on those investments are included in the notes to the financial statements.

Realized gains and losses are classified as unrestricted net assets unless they are restricted by the donor or law.

Accounts receivable

Accounts receivable, including pledges, are stated at the amount Organization management expects to collect from outstanding balances. Organization management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on historical collection experience, its assessment of current economic conditions, review and assessment of estimated funding sources and financial condition of the debtor. Balances which are still outstanding after Organization management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

Notes receivable

Notes receivable consist of notes to affiliates and other entities to support the Organization's goal of providing affordable housing. These notes are stated at the unpaid balance net of allowance for uncollectibility, if any. Interest income is recognized as prescribed for in the note agreements. Management bases its estimates for uncollectible principal and interest on several factors including historical experience, operating performance of the borrower and value of the underlying collateral. Notes which are placed on a nonaccrual status must be approved by the Board of Directors.

Contributed services
During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Contributions
Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. Unconditional promises to give which are to be received in more than one year are reflected net of a discount and net of an allowance for uncollectibility, if any, as determined by management of the Organization.

It is the Organization's policy to sell all contributed financial noncash assets immediately upon receipt.

Contributions of nonmonetary assets are recorded at their fair value at the date of the receipt.

Gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to net assets with donor restrictions if the gifts are not expended or placed in service during the year.

Development costs
Development costs consist of costs associated with the development, construction and financing of a project. These costs include project consultants, legal, architectural and costs to arrange financing and tax credits. For prospective developments the Organization determines not to pursue, the associated costs are expensed and reflected as development expenses. The Organization has incurred development costs of $11,178,670, of which $7,062,280 was incurred during 2022. During 2022, $2,137,852 of incurred development costs was transferred to the respective entities. In addition, per the joint venture agreement, fifty percent of the costs related to the Olmstead Village Joint Venture are being reimbursed by Lena New Boston, an unrelated third party. At December 31, 2022, total reimbursements were $664,484, which are included in developments costs on the statement of financial position.

Revenue recognition - development fees
Developer fees are accrued when earned. The Organization typically enters into a fee agreement which contains certain benchmarks that provide for the recognition of developer fee revenue based on the specified criteria. Revenue is recorded upon the achievement of the benchmark based on the estimated total fee as determined under the agreement. Because of the inherent uncertainties in determining the total fee, it is at least reasonably possible that the estimates used will change within the near term.

Revenue and costs recognition under development agreements
Most development fees earned are paid from projects' equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when a project is assured of being constructed, as evidenced by the admission of an equity partner, then based on the external construction costs incurred as a percentage of the total external construction costs expected and concluding with the application for final allocation of tax

credits. Any portion of the development fee not expected to be paid using contributions from the equity investor, such as cash flow from operations, represents variable consideration.

The Organization estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in ASC Topic 606, *Revenue from Contracts with Customers*, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the Organization's influence, including insufficient equity and debt proceeds at the completion of the construction of a project.

- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.

- The Organization's experience with similar types of agreements.

- Whether the Organization expects to offer changes to payment terms.

- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the Organization's estimate of the variable consideration using available information at the reporting date. For the year ended December 31, 2022, $4,160,710 of development fee revenue was earned. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated to program and supporting services based on systematic methods. Additionally, overhead costs are allocated to the various functions based on an allocation methodology determined by management.

Income taxes
The Organization has applied for and received a determination letter from the Internal Revenue Service (the "IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended December 31, 2022. Due to its tax-exempt status, the Organization is not subject to income taxes. The Organization is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes, and the Organization has no other tax positions which must be considered for disclosure. Income tax returns filed by the Organization are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2019 remain open.

Commercial rent
The Organization leases a commercial space to Bakey 370 Harvard, an unrelated party. The Organization recognizes commercial rental revenue over the term of the lease, on a straight-line basis regardless of when payments are due. Commencing on the date the Organization receives the certificate of occupancy (the "Commencement Date"), the base rent shall be $44,187 and will increase by 4% based on the square footage in Year 5 and Year 8. The Organization shall pay additional rent charge, including insurance costs, property taxes, and utility charges. The lease term is for 10 years. The Organization implemented ASC Topic 842, *Leases*, effective January 1, 2022. As the lessor, there were no accounting adjustments required. There was no cumulative effect adjustments to retained earnings required upon adoption of the new standard. For the year ended December 31, 2022, there was no commercial rental revenue. Estimated annual rental income for the ensuing five years is $44,187, $44,187, $44,187, $44,187, and $45,954, respectively.

New accounting pronouncement
The Organization adopted Accounting Standards Update 2016-02 (as amended), *Leases* ("Topic 842") on January 1, 2022 ("Adoption Date"). Additionally, the Organization elected and applied the following practical expedients on the Adoption Date:

- The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Organization accounted for its existing operating and commercial leases with tenants of the property as operating leases. Adopting Topic 842 in accounting for commercial leases did not result in adjustments to the financial statements.

Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for all leases. The Organization elected and applied the following practical expedient on the Adoption Date:

- Use a risk-free rate discount rate.

The Organization includes its right-of-use asset for its operating lease within right-of-use asset on its statement of financial position.

The Organization made the following adjustments its statement of financial position as of the Adoption Date in connection with transitioning to Topic 842:

	Increase (decrease)
Right-of-use-asset - operating	$ 85,297
Lease obligation present value	(85,297)

Further, the adoption of Topic 842 did not have a material impact on the Organization's statement of activities and changes in net assets.

Note 3 - Investments

Investments at December 31, 2022 are summarized as follows:

	Cost	Market
Jewish Community Endowment Pool, LLP	$ 8,541,419	$ 7,154,200
Mutual funds	895,440	950,060
Exchange traded funds	1,386,535	1,518,945
	$ 10,823,394	$ 9,623,205

During 2002, the Organization transferred certain investments based on the market value of the assets in the Pool at the time of entry. Current market value of the investments in the Pool is used to determine the market value of the Organization's interest at December 31, 2022. Income from investments in the Pool is allocated to each partner based on the partner's percent interest in the Pool. At December 31, 2022, the Organization owned .46% of the Pool.

The composition of the investments held in the Jewish Community Endowment Pool, LLP at December 31, 2022 was as follows:

Equities	$ 2,067,564
Hedged equities	2,725,750
REITS	1,251,985
Fixed income bonds	944,354
Money markets	164,547
Total investment	$ 7,154,200

Total investment returns for the year ended December 31, 2022 is comprised of the following:

Dividends and interest, net	$ 54,582
Realized gains on investments	197,327
Change in unrealized gain on investments	(1,200,189)
Total investment return	$ (948,280)

Note 4 - Fair value measurements

The accounting guidance for fair value measurements and disclosures clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability, and establishes the following fair value hierarchy:

Level 1: inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table presents the fair value of assets measured on a recurring basis at December 31, 2022:

	Level 1	Level 2	Level 3	Net balance
Mutual funds	$ 950,060	$ -	$ -	$ 950,060
Exchange traded funds	1,518,945	-	-	1,518,945
Investments in limited partnerships	-	-	7,154,200	7,154,200
	$ 2,469,005	$ -	$ 7,154,200	$ 9,623,205

There were no transfers into or out of Level 3 investments, nor were there any Level 3 purchases or issues during the years ended December 31, 2022. The Organization is invested in a fund which includes global equity funds, hedge funds, private equity funds, and real asset funds, all of which are subject to certain restrictions and generally have no established trading market.

Note 5 - Notes and advances receivable from affiliates

In connection with its development activities, the Organization has provided development related loans to affiliates. These loans typically provide funds to the affiliate to satisfy otherwise unfunded cash requirements of construction. The following summarizes the terms of these loans and the conditions for repayment.

2Life Shillman LP
During 2010, the Organization entered into a promissory note agreement with the Owner in the original amount of $4,650,000 increased to $4,669,471 during the construction period. The note bears an interest rate of 2% per annum and matures on December 31, 2039 with any principal and accrued interest not earlier paid due. Prior to the maturity date, principal and accrued interest shall be payable (i) out of the proceeds of any energy rebates received for the Project within five days of receipt of such proceeds and (ii) out of any distributions of Development Revenue, as defined in the "MHFA Regulatory Agreement" with the Owner. The note is secured by a shared fifth-priority mortgage in the property. Interest earned for the year ended December 31, 2022 was $112,916. As

of December 31, 2022, the outstanding principal and accrued interest on the loan was $4,565,000 and $1,193,706, respectively.

Sponsor HUD "202" loan
The U.S. Department of Housing and Urban Development provided a capital advance in the amount of $7,579,000 to 2Life Development, Inc. (the "Developer"). 2Life Development Inc. loaned the capital advance received from HUD to 2Life Shillman LP for the purpose of financing the Project. The loan does not bear interest and matures on July 31, 2051, at which time all outstanding principal is due. The loan is secured by a third-priority mortgage encumbering the property. As of December 31, 2022, the outstanding principal balance on the sponsor "202" loan was $7,579,000.

2Life 370 Harvard LLC
During 2019, the Organization entered into a promissory note agreement with 2Life 370 Harvard LLC in the original amount of $2,600,000. The note bears an interest rate of 5% per annum and matures on August 12, 2062 with any principal and accrued interest not earlier paid due. Payments of principal and interest shall be made annually, commencing the year following Permanent Loan Closing, from and to the extent of available cash flow. Interest earned for the year ended December 31, 2022 was $147,351. At December 31, 2022, the outstanding principal balance and accrued interest on the note were $2,600,000 and $494,370, respectively.

During 2019, the Organization entered into a promissory note agreement with 2Life 370 Harvard LLC in the original amount of $244,391. The note bears an interest rate of 5% per annum and matures on August 12, 2062 with any principal and accrued interest not earlier paid due. Payments of principal and interest shall be made annually from and to the extent of available cash flow. Interest earned for the year ended December 31, 2022 was $11,815. At December 31, 2022, the outstanding principal balance and accrued interest on the note were $226,089 and $22,682, respectively.

The Organization entered into a loan agreement with 2Life 370 Harvard LLC, a related party, in the original amount of $4,400,000. The loan bears interest at 5% compounded annually and matures on August 12, 2062 with any principal not earlier paid due. Payments on the loan are made based on available cash flow. As of December 31, 2022, the total funded and outstanding principal balance and accrued interest was $4,400,000 and $334,555, respectively. During the year ended December 31, 2022, interest income was $334,555.

2Life Coleman LP
During 2020, a loan agreement (the "Seller Loan") between 2Life Coleman LP and Jewish Community Housing for the Elderly V, Inc., a related party, in the original amount of $4,200,822 was transferred to the Company following the merger with JCHE V. The loan bears interest at 3.04% and matures on May 1, 2063. Payments of principal and interest will be due annually or semi-annually from available Net Cash Flow. As of December 31, 2022, the outstanding principal balance and accrued interest were $4,200,822 and $365,723, respectively. During the year ended December 31, 2022, interest income was $139,752.

During 2020, a loan agreement (the "Sponsor Loan") between 2Life Coleman LP and Jewish Community Housing for the Elderly IV, Inc., a related party, in the original amount of $2,233,035 was transferred to the Company following the merger with JCHE IV. The loan bears interest at 3.05% and matures on June 12, 2053. Payments of principal and interest will be due annually only from available net cash flow. As of December 31, 2022, the outstanding principal balance and accrued interest were $2,233,035 and $341,383, respectively. During the year ended December 31, 2022, interest income was $76,196.

2Life Golda LP
During 2020, a loan agreement (the "Seller Loan") between 2Life Golda LP and Jewish Community Housing for the Elderly IV, Inc., a related party, in the original amount of $12,737,641 was transferred to the Company following the merger with JCHE IV. The loan bears interest at 2.26% and matures on December 22, 2061. Payments of principal and interest will be due annually only from available net cash flow. As of December 31, 2022, the outstanding principal balance and accrued interest were $3,653,088 and $115,649, respectively. During the year ended December 31, 2022, interest income was $233,068.

During 2020, a loan agreement (the "Sponsor Loan") between 2Life Golda LP and Jewish Community Housing for the Elderly IV, Inc., a related party, in the original amount of $5,762,400, under which terms bears no interest and repayment is not required so long as the housing remains available to low-income elderly persons in accordance with Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990. If there has been no default on the mortgage note for reasons under the Note, Mortgage or Regulatory Agreements, the Note shall be deemed paid and discharged at maturity on May 1, 2034. The mortgage shall bear no interest unless there is a default at which time, interest per year at a rate of 6.625% shall be payable on demand with respect to the payment of the principal. As of December 31, 2022, the balance outstanding on the loan totaled $5,762,400.

During 2020, a loan agreement (the "Sponsor Loan") between 2Life Golda LP and Jewish Community Housing for the Elderly IV, Inc., a related party, a CDBG Loan Agreement with Newton Community Development Authority was assigned to 2Life Golda Limited Partnership in the amount of $626,366. The loan does not bear interest and matures on April 11, 2036, at which time 50% of the outstanding principal is due. The remaining 50% of the loan shall be forgiven and discharged by the Newton Community Development Authority provided that a certain number of units are leased to qualified low- and moderate-income persons paying affordable rents as defined by HUD. As of December 31, 2022, the outstanding principal balance was $626,366.

Shirley Commons LLC
On May 31, 2019, Shirley Commons LLC entered into a promissory note with Women's Institute Realty, Inc. ("WIR" or the "Developer"), an affiliate of the Managing Member, in the maximum amount of $2,600,000 (the "State LIHTC Loan"). Funding for this loan is being provided from WIR's sale of the Project's state low-income housing tax credits, which have or will be donated to WIR by the Special Investor Member pursuant to a State Low-Income Housing Tax Credit Charitable Donation and Transfer Agreement. To the extent that the total aggregate amount received by WIR pursuant to the State Low-Income Housing Tax Credit Purchase and Transfer Agreement is less than $2,600,000, then the maximum loan amount shall be reduced as provided for in the agreements. The note is secured by a fourth mortgage interest in the real estate and related personal property of the Organization. The note provides for interest at 7.25% compounding annually and is due and payable in its entirety at maturity (May 31, 2051); however, the maturity date may be extended in accordance with the provisions of the promissory note. The note may be prepaid, in whole or in part, at any time, without penalty. On September 2, 2021, the note was assigned to 2Life Development Inc., an affiliate of the new Managing Member Shirley Commons MM LLC, which the Organization recognized as income during the year ended December 31, 2021. Interest income for the year ended December 31, 2022 was $181,030. As of December 31, 2022,

the outstanding balance and accrued interest receivable was $2,469,162 and $101,441, respectively.

2Life Golda Expansion LP
On August 1, 2021, the Organization entered into a loan agreement (the "Sponsor Loan") with 2Life Golda Expansion LP, a related party, in the original amount of $3,971,334. The loan bears interest at 1.00% and matures on August 1, 2063. Payments of principal and interest will be due annually only from available net cash flow. As of December 31, 2022, the outstanding principal balance and accrued interest were $3,192,489 and $42,604, respectively. During the year ended December 31, 2022, interest income was $31,030.

On August 6, 2021, the Organization entered into a loan agreement ("Newton CPA Funds") with 2Life Golda Expansion LP in the original amount of $4,494,857. The loan bears interest at 1.00% and matures on August 1, 2063. Payments of principal and interest will be due annually only from available net cash flow. As of December 31, 2022, the outstanding principal balance and accrued interest were $4,045,371 and $42,888, respectively. During the year ended December 31, 2022, interest income was $40,367.

2Life JJ Carroll
On December 16, 2021, the Organization entered into a loan agreement (the "Sponsor Energy Loan") with 2Life JJ Carroll, LLC, a related party, in the original amount of $442,250. The loan bears interest at 2.5% and matures on May 1, 2064. Payments of principal and interest will be due annually only from available Net Cash Flow. As of December 31, 2022, the outstanding principal balance and accrued interest were $16,250 and $348, respectively. During the year ended December 31, 2022, interest income was $340.

2Life Leland
On November 29, 2022, the Organization entered into a loan agreement with 2Life Leland LLC, a related party, in the original amount $1,500,000. The loan bears interest at 4.0% compounding annually. All principal and interest on this Note shall be due and payable upon the earlier of (i) the date on which Lender received the Comprehensive Permit Payment and (ii) the date of the Borrower's sale or lease of the Property. As of December 31, 2022, the outstanding principal balance and accrued interest were $1,500,000 and $33,866. During the year ended December 31, 2022, interest income was $33,866.

Note 6 - Development fee receivable

On December 18, 2009, the Organization entered into a development agreement with 2Life Shillman LP. The agreement provides for development fee and overhead in the amount of $3,280,000, for services in connection with the development of the Project and the supervision of construction. The Organization has earned the entire development fee. As of December 31, 2022, $1,679,389 remains receivable and is due December 31, 2025.

On June 12, 2019, the Organization entered into a development agreement with 2Life 370 Harvard LLC. The agreement provides for development fee and overhead in the amount of $2,300,000, for services in connection with the development of the Project and the supervision of construction. As of December 31, 2022, the full developer fee of $2,300,000 was earned. Any installment of the development fee not paid when otherwise due shall be deferred with interest at the rate of 5% per annum. At December 31, 2022, $551,250 of the earned developer fee remains receivable.

On August 2, 2021, the Organization entered into a construction management fee agreement with 2Life Coleman LP for the renovation of Coleman House (referred to as the "Project"). The agreement provides for a construction management fee in the amount of $1,300,000 for services in connection with the development of the Project and the supervision of construction. Pursuant to the construction management fee agreement, construction management fees shall be earned under the construction completion method. The construction management fee is noninterest-bearing. During the year ended, December 31, 2022, $715,000 was earned. At December 31, 2022, $829,920 remains receivable.

Shirley Commons LLC entered into a Development Service Agreement with Women's Institute Realty, Inc. ("WIR" or the "Developer"). Pursuant to the terms of the Development Services Agreement, WIR is entitled to a fee for its services to oversee the construction of the Project in the amount of $1,810,000 ("Development Fee"). The entire Development Fee is anticipated to be paid concurrently with the Investor Member's capital contributions. Any Deferred Development Fee shall bear interest at a rate of 2.74% per annum and shall be paid from available Net Cash Flow in the priority set forth in the Operating Agreement. On September 2, 2021, the Development Service Agreement was assigned to 2Life Development Inc., an affiliate of the new Managing Member 2Life Realty, Inc. with the intention of the remaining fee being paid to WIR from the Organization. During 2022, the remaining balance of $250,000 was fully received.

On August 25, 2021, the Organization entered into a Development agreement with Boston Housing Authority ("BHA") for the development of JJ Carroll Development. The agreement provides for a Development fee in the amount of $5,600,000, of which $4,200,000 or 75% is allocated to the Organization and $1,400,000 or 25% to BHA. During the year ended December 31, 2022, $2,061,150 was earned. At December 31, 2022, $1,767,150 remains receivable.

On August 6, 2021, the Organization entered into a Development agreement with 2Life Golda Expansion, LP for the development of Golda Meir House Expansion. The agreement provides for a Development fee in the amount of $2,600,000. During the year ended December 31, 2022, $1,384,560 was earned. At December 31, 2022, $1,438,560 remains receivable.

Note 7 - Notes and advances payable

HUD "202" loan

On December 18, 2009, the Organization entered into a mortgage note with an original balance of $7,579,000, under which terms the Organization bears no interest and repayment is not required so long as the housing remains available to very low-income elderly persons in accordance with Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990. If there has been no default on the mortgage note for reasons under the Note, Mortgage or Regulatory Agreements, the Note shall be deemed paid and discharged on July 31, 2051, the maturity date. The mortgage shall bear no interest unless there is a default, at which time, interest per year at a rate of 4.625% shall be payable on demand with respect to the payment of the principal. As of December 31, 2022, the balance outstanding on the loan totaled $7,579,000.

As management represents that it has fully complied with the provisions of Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990, the Note, Mortgage and Regulatory Agreement, all amounts owing relating to HUD "202" loan are considered to be noncurrent liabilities.

Note payable - 2Life Realty
On December 18, 2019, the Organization entered into a loan agreement with 2Life Realty Inc., a related party, in the original amount of $1,000,000. The loan bears 0% interest and shall be fully paid by December 31, 2020. On January 1, 2020, the loan agreement was modified for additional proceeds up to $8,000,000. On July 11, 2022, the loan agreement was modified again to proceeds up to $5,000,000 and extended the maturity date to December 31, 2024. As December 31, 2022, the outstanding principal balance was $4,000,000.

Note payable - 2Life Partners Inc.
On December 15, 2021, the Organization entered into a loan agreement with 2Life Partners Inc., a related party, in the original amount of $500,000. The loan bears 0% interest and shall be fully paid by December 31, 2022. On December 1, 2022, the loan agreement was modified to extend the maturity date to December 31, 2025. As December 31, 2022, the outstanding principal balance was $469,053.

Note payable - 2Life Communities, Inc
On October 18, 2022, the Organization entered into a loan agreement with 2Life Communities Inc., a related party, in the original amount of $3,000,000. The loan bears 0% interest and shall be fully paid by December 31, 2025. As of December 31, 2022, the outstanding principal balance was $2,400,000.

Note 8 - Related party transactions

Due from affiliate
During the year, the Organization paid development costs on behalf of their affiliate 2Life Opus Newton, LLC. During 2022, costs in the amount of $2,137,852 were transferred to the LLC. As of December 31, 2022, this amount remains receivable.

Due to affiliate
During the year, 2Life Communities Services Inc. periodically pays common expenses and is reimbursed by the Organization for their respective share. In addition, 2Life Communities Services, Inc. is reimbursed for payroll and related benefits, including retirement costs, allocated to the Organization. As of December 31, 2022, $1,896,880 was payable to 2Life Communities Services, Inc. and is included under current liabilities on the statement of financial position.

Leasing arrangements
The Organization leases space from 2Life 370 Harvard LLC, a related party, beginning on December 31, 2022, and expiring in December 31, 2031. The lease provides the Company a right-of-use asset beginning on the commencement date. The lease is classified as an operating lease. The lease term remaining at December 31, 2022 is 120 months.

Lease payments
There were no lease payments included in the measurement of the lease liability at December 31, 2022. The terms of the lease require a minimum annual rent of $8,837. Scheduled lease payments in excess of actual payment amounts can be deferred and are recorded as deferred lease payable.

The lease also requires the Organization to pay all costs, charges, taxes, assessments and expenses of every kind and nature in connection with the use and operation of the leased premises. All utilities servicing the leased premise will be separately metered. The above costs are variable payments made to third parties and are not included in rent expense.

Lease liability

The lease liability at December 31, 2022 of $85,297 is the present value of remaining scheduled lease payments discounted using the Organization's discount rate of 1.430%. It does not include any deferred lease payable amounts. Future remaining scheduled lease payments during the lease term are shown in the table below. The annual payment amounts are presented on an undiscounted basis along with a reconciliation to the lease liability on December 31, 2022, which is recorded on a present value basis, as described above.

December 31, 2023	$	8,837
2024		8,837
2025		8,837
2026		8,837
2027		9,191
Thereafter		47,057
Total		91,596
Less: effects of discounting		(6,299)
Lease liability	$	85,297

Note 9 - Concentration of credit risk

The Organization maintains its cash balances at major financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2022.

Note 10 - Financial guarantor covenants

The Organization is required to maintain a net worth of at least $5,000,000 and at least 20% of such amount in liquid investments throughout the Compliance Period of 2Life Shillman Limited Partnership, as defined.

The Organization is required to maintain a net worth of at least $3,000,000 and at least $1,000,000 in liquid investments as defined in the guaranty agreement with RBC Tax Credit Equity, LLC and 2Life 370 Harvard LLC.

The Organization is required to maintain a net worth of at least $5,000,000 and at least $1,000,000 in liquid investments as defined in the guaranty agreement and additional state tax credit guaranty agreement with RBC-Citizens Tax Credit Equity Fund - 103 for Shirley Commons LLC.

At December 31, 2022, the Organization had greater than $5,000,000 of net worth and $1,000,000 of unencumbered liquid assets.

Note 11 - Liquidity and availability

The Organization has $11,064,681 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of the following:

Cash	$	303,624
Investments		9,623,205
Due from affiliates		2,137,852
Less: guarantees - required reserve		(1,000,000)
	$	11,064,681

Only amounts related to restricted deposits and investments anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

Note 12 - Expenses by nature and function

The table below presents expenses by both their nature and function during the year ended December 31, 2022:

	Program services	Supporting services	Fundraising	Total
Administrative expenses	$ 1,499,666	$ 92,234	$ -	$ 1,591,900
Operating and	46,688	-	-	46,688
Total	$ 1,546,354	$ 92,234	$ -	$ 1,638,588

All expenses are directly attributable to a specific function.

Note 13 - Rental property

Rental property consists of the following as of December 31, 2022:

Rental property	$	19,242
Less accumulated depreciation		(6,093)
Total rental property, net	$	13,149

Depreciation expense for the year ended December 31, 2022 was $3,848.

Note 14 - Grant income

During 2021, the Organization entered into a grant agreement with 2Life Golda LP, 2Life Golda Expansion LP, and the City of Newton. The Organization was granted $4,494,857 from the City of Newton through the Community Preservation Act ("CPA") for reimbursement of approved project costs. The amount received was loaned to 2Life Golda Expansion LP for the development of the project (see Note 5). 10% or $449,486 of the total grant funds will be held until certain conditions are met by 2Life Golda Expansion LP as defined in the CPA Grant Agreement. For the year ended

December 31, 2021, the Organization received $4,045,371, which has been recognized as grant income on the statement of activities and changes in net assets. As of December 31, 2022, no grant income was received.

Note 15 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through October 10, 2023 (the date the financial statements were available to be issued) and concluded that other than the subsequent events discussed below that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

On September 29, 2023, the Organization entered into a binding option agreement to acquire 19 Porter Street, Lynn, MA, for $1,710,000 subject to due diligence and financing.

In August 2023, the Organization entered into various loan agreements, guaranty agreements, and a developer agreement due to the closing on the project, Leland House in Waltham, MA a 68-unit senior tax credit development.

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